GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4105
ANSWERED ON:26.08.2011
MORTGAGE RISK GUARANTEE FUND
Sugavanam Shri E.G.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposals to create Mortgage Risk Guarantee Fund;

(b) if so, the details alongwith its proposed utility thereof; and

(c) the time by when it is likely to be operational?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): Yes Sir. In pursuance of Budget Announcements for Financial Year 2011-12, a Mortgage Risk Guarantee Fund Trust for low income housing for housing loans upto Rs.5 lakh disbursed to new or existing individual borrowers in the low income housing sector without any collateral security and/ or third party guarantees is to encourage lending for affordable housing to Economically Weaker Section/ Low Income Group Households for loans upto Rs.5 lakh with initial corpus of Rs.1000 crore from the Central Government. The scheme aims to provide support for shelter and basic civic and social services for slum redevelopment and creation of affordable housing stock to States that are willing to assign property rights to slum dwellers.